



Agenda Item Number: 2006-8-8C

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: August 9, 2006

Department: County Manager **Staff Contact:** Daniel Gutiérrez, Economic Development
Julie Baca, Deputy County Manager,
Community Services
Dan Mayfield, Deputy County Manager for
Budget & Finance
Tommy Hughes, Hughes and Strumor Ltd.,
Inc., Bond Counsel

TITLE: Industrial Revenue Bond project for La Posada Hotel dba Historic Hotel Inc.

ACTION: Motion to approve Administrative Resolution AR -**2006** (Inducement Resolution) concerning industrial revenue bonds in connection with a proposed project for the La Posada Hotel.

SUMMARY:

The Bernalillo County Office of Economic Development has received an application and project plan for the renovation of the La Posada Hotel dba Historic Hotels LLC (HH) located at 125 Second Street, N.W., in downtown Albuquerque. The company seeks up to \$14,100,000 of non-taxable industrial revenue bonds pursuant to 4-59-1 et seq. NMSA 1978. La Posada is currently vacant. Historic Hotels Inc., proposes to use the IRB for the acquisition of land and structures, architectural, engineering and design costs, construction, updating of mechanicals, purchase of furniture, furnishings, and equipment, environmental remediation, including asbestos and lead.

The cost of acquisition of the property is \$4.1 million with estimated renovation costs of \$10.4 million dollars. The current assessed value of the property is \$3,000,000 for the hotel (including land and building) and \$302,200 for the adjacent parking lot. The operation of the facility will create 93 jobs with a total of 75 employees offered benefits and 18 part-time employees offered partial benefits. Environmental impact is expected to be minimal, as the facility does not produce noise, air, or water pollution.

In accordance with the procedures specified in the County's Revenue Bond Project Evaluation Policies and Procedures (County Code, Article IV, Division 3), the County Manager submits the project plan to the Board for discussion and in conjunction with Bond Counsel also requests approval of an "Inducement Resolution" to publish a notice of intent to adopt an Ordinance authorizing the issuance and sale of Industrial Revenue Bonds for this project. The project plan is also submitted for a complete analysis by an independent consultant at the expense of the applicant. Approving the "Inducement Resolution" will expedite consideration of this project, but does not commit the Board of Commissioners to approve the project.

ATTACHMENT:

1. Administrative Resolution **AR -2006** (Inducement Resolution)

FISCAL IMPACT

None at this time.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

See summary

LEGAL

Administrative Resolution prepared by Hughes & Strumor, Ltd. Co.

FINANCE

Budget Approval of this Inducement Resolution is the first step in obtaining Industrial Revenue Bonds. Second step is BCC approval to adopt an ordinance to issue Industrial Revenue Bonds. The County has no financial obligation for the industrial revenue bond indebtedness. If this IRB is approved, La Posada will be required to pay PILT (Payment in Lieu of Taxes) to the County for the benefit of APS and UNMH. Maria Zuniga, Financial Projects Coordinator 7/17/06